



July Revision of FY 2009-10 State Budget

Potential Impacts on the County of San Diego

On July 28, 2009 the Governor enacted a revised FY 2009-10 state budget to address another \$24 billion shortfall. Following is a list of the estimated impacts on the County of San Diego resulting from the revised budget and subsequent actions.

Potential Negative Impacts on the County:

General Government

- **\$73 million loss** to the County as a result of the \$1.9 billion borrow from Proposition 1A.
 - **\$70.2 million reduction** to the County general fund.
 - **\$2.4 million reduction** to the County library fund.
 - **\$730,000 reduction** in funding to the County for certain special districts.

Redevelopment

- **\$7.2 million loss** to the County as a result of the \$2.05 billion statewide take of redevelopment agency funding in FY 2009-10 and FY 2010-11 (two-year take).
 - **\$1.7 million loss** to the County general fund.
 - **\$4.2 million loss** to the public safety Poway agreement.
 - **\$955,000 loss** to the County redevelopment agency (Gillespie Field).
 - **\$371,000 loss** to the County library fund.
- **\$111 million net loss** if all redevelopment projects were to be extended one year.

Transportation

- July through December 2009 deferral of local government Highway Users Tax Account (HUTA) funding.
 - **\$20 million deferral** of payment to the County.
- Deferral of first two quarter Proposition 42 payments.
 - **\$10 million deferral** of payment to the County.
- Acceleration of Proposition 1B Local Streets and Roads funding.
 - Could expedite the receipt of the County's anticipated \$31.7 million of Proposition 1B funding.
 - However, under the new conditions imposed in ABX4 1, some local governments may not qualify to receive this funding.

Public Safety

- **\$2.3 million loss** to the County for court security services as a result of the one-day per month court closures and the exclusion of retiree health benefits costs from the charges of those services.
- **Undetermined County impact** as a result of unallocated cuts to CDCR.

Human Services

\$4.9 million loss to the County in the CalWORKS Child Care and Employment Services programs. These cuts will impact client ability to receive child care (stage 1). The child care program helps families transition from the short-term child care needed as the parent starts work, to the stable, long-

term child care necessary for a family to remain off aid.

- **\$4.3 million loss** of funding and a reduction of staff positions as a result of the \$80 million reduction of state general fund support to counties for child welfare services. Other impacts include: longer wait times for child abuse hotline calls, increased response times, increased caseloads, children remaining in care longer, reductions in contracted services, and difficulty meeting required court timelines. First 5 San Diego provided \$3 million to Child Welfare Services which will assist the Agency in meeting required mandates despite the state reduction. As a result of the First 5 funding, the impact to Child Welfare Services will be a loss of **\$1.3 million**.
- **Undetermined cost and workload increases** as a result of the IHSS fraud prevention actions. As of October 2009, the state has not provided sufficient detail to accurately determine the potential impact of these fraud prevention measures on the County.

Health

- **\$7.3 million loss** to the County as a result of the statewide reduction in funding to mental health managed care.
- **\$6.3 million loss** to the County (HHSA and Probation) as a result of the elimination of the SACPA (Proposition 36 funding).
- **\$2.3 million loss** in state and federal funds to the County and the reduction of staff positions as a result of the elimination of funds to local health jurisdictions for HIV education and prevention, Maternal Child Family Health services and Black Infant Health Services. In light of the state cut to the Black Infant Health program, First 5 San Diego provided \$200,000 in funding to help offset the state reduction.
- **\$1.1 million delay** to the County as a result of the deferral of AB 3632 payments to counties for one year.

May Special Election

- **\$5 million loss** to the County. The Revised Budget did not address reimbursement to counties for conducting the May 19, 2009 statewide special election.

Potential Cost Savings:

- **\$2.0 million (or less) estimated savings** to the County in realignment dollars due to the elimination of services to IHSS clients. The state has delayed the implementation of this proposal until November 2009. There may be some offset to the cost savings due to increased requests by clients for reassessment of services and hours.
- **\$500,000 estimated savings** to the County in realignment dollars as a result of the state reduction to Public Authority administration. This cut will also result in reduced staff positions.